

**CITY COURT**  
**OF WEST MONROE, LOUISIANA**

*Component Unit Financial Statements*  
*For the Year Ended June 30, 2008*

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/21/09



CITY COURT  
OF WEST MONROE, LOUISIANA

JUNE 30, 2008

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## INDEPENDENT AUDITORS' REPORT

Honorable Judge Jim Norris,  
City Court of West Monroe, Louisiana

We have audited the accompanying component unit financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City Court of West Monroe, Louisiana, a component unit of the City of West Monroe, Louisiana as of and for the year ended June 30, 2008, which collectively comprise the Court's component unit financial statements as listed in the table of contents. These financial statements are the responsibility of the City Court's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City Court of West Monroe, Louisiana, as of June 30, 2008, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2008, on our consideration of the City Court of West Monroe, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Honorable Judge Jim Norris,  
City Court of West Monroe, Louisiana  
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Management's discussion and analysis on pages 3 through 6 is not a required part of the component unit financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprises the City Court's component unit financial statements. Management's discussion and analysis is presented for purposes of additional analysis and is not a required part of the component unit financial statements. Management's discussion and analysis has been subjected to the auditing procedures applied in the audit of the component unit financial statements and, in our opinion, is fairly stated in all material respects in relation to the component unit financial statements taken as a whole. Management's discussion and analysis has not been subjected to the auditing procedures applied in the audit of the component unit financial statements and, accordingly, we express no opinion on it.

*Cameron, Hines & Hartt (APAC)*

West Monroe, Louisiana  
December 1, 2008



## City Court Of West Monroe Ward 5

Jim Norris  
Judge

Charlene Crocker  
Clerk of Court  
Civil Division

Mary Jo Phillips  
Clerk of Court  
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### MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City Court of West Monroe, Louisiana (the Court) provides an overview of the Court's activities for the year ended June 30, 2008. Please read it in conjunction with the Court's financial statements.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Court's basic financial statements. The Court's basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. These components are described below:

#### BASIC FINANCIAL STATEMENTS

The basic financial statements include two kinds of financial statements that present different views of the Court – the *Government-wide Financial Statements* and *Fund Financial Statements*. These financial statements also include the *Notes to the Financial Statements* that explain some of the information in the financial statements and provide additional detail.

##### Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the Court's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the Court's financial position, which assists users in assessing the Court's economic condition at the end of the year. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting similar to methods used by most businesses. These statements report all revenues and expenditures connected with the year even if cash has not been received or paid. The Court's financial statements contain only governmental activities. The government-wide financial statements include two statements.

- The **Statement of Net Assets** presents all of the Court's assets and liabilities, with the difference between the two reported as "net assets." Over time, increases or decreases in the Court's net assets may serve as a useful indicator of whether the financial position of the Court is improving or deteriorating.

- The **Statement of Activities** presents information showing how the Court's net assets changed during the most recent year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Court, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Court are divided into two categories: governmental funds and fiduciary funds.

- **Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the year. Such information may be useful in evaluating the Court's near term financing requirements. This approach is known as using the flow of financial resources measurement focus and the modified accrual basis of accounting. These statements provide a detailed short-term view of the Court's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the Court.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, users may better understand the long-term impact of the Court's near-term financing decisions. Due to the nature of the operations there were no differences between the fund financial statements and the government-wide financial statements.

The Court has three governmental funds: the Civil Court Cost Fund, the Judge's Accrued Civil Cost Fund, and the Probation Fund.

- **Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside of the Court. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Court's own programs. The accrual basis of accounting is used for fiduciary funds.

The Court has one fiduciary fund: the Restitution Fund.

The funds financial statements can be found immediately following the government-wide financial statements.

## Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the fund financial statements.

## FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES

### Net Assets

Net assets may serve over time as a useful indicator of the Court's financial position. The Court's assets exceed liabilities by \$409,296 and \$365,358 as of June 30, 2008 and 2007, respectively.

The entire portion of the Court's net assets totaling \$419,682 is in cash and cash equivalents.

	<u>Governmental Activities</u>	
	<u>2008</u>	<u>2007</u>
Current Assets	\$ 419,682	\$ 366,215
Current Liabilities	<u>10,386</u>	<u>857</u>
Total Net Assets	<u>\$ 409,296</u>	<u>\$ 365,358</u>

### Changes in Net Assets

The Court's net assets increased by \$43,938 (11%) during the year ended June 30, 2008 compared to an increase of \$40,777 (13%) during the prior year. The percentage of the Court's total revenues derived from program revenue during the current year increased by \$26,174 (17%). Expenses increased \$28,665 (14%) due primarily to an increase in both staff salaries of \$15,442 and judge's compensation of \$4,208.

	<u>Governmental Activities</u>	
	<u>2008</u>	<u>2007</u>
Revenues:		
Program Revenues:		
Suits and Successions	\$ 151,407	\$ 125,233
Probation Fees	96,315	90,587
General Revenues:		
Interest	<u>1,412</u>	<u>1,488</u>
Total Revenues	249,134	217,308
Total Expenses – Judiciary	<u>205,196</u>	<u>176,531</u>
Increase in Net Assets	43,938	40,777
Net Assets – Beginning of Year	<u>365,358</u>	<u>324,581</u>
Net Assets – End of Year	<u>\$ 409,296</u>	<u>\$ 365,358</u>

## FINANCIAL ANALYSIS OF THE COURT'S INDIVIDUAL FUNDS

As noted earlier, the Court uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

## **Governmental Funds**

The focus of the Court's governmental funds is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Court's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Court's net resources available for spending at June 30, 2008.

As of June 30, 2008, the Court's governmental funds reported a combined ending fund balance of \$409,296, an increase of \$43,938 compared to the prior year.

The Civil Court Cost Fund accounts for advance deposits and court costs on civil suits filed by litigants. The advances are refundable to the litigants after all court costs have been paid. The Civil Court Cost Fund also accounts for the portions of the court costs collected owed to the City Marshal and the Judge's Accrued Civil Cost Fund. The balance after refunds to litigants and transfers to other funds are made is used to pay for other costs of operating the City Court. Unreserved fund balance was \$221,739 at the end of the current fiscal year, an increase of \$26,436 (12%) from the prior year. The increase is due to normal operations with no unusual expenditures.

The Judge's Accrued Civil Cost Fund accounts for fees earned by the Judge, which are transferred from the Civil Court Cost Fund and are used to pay a portion of the Judge's salary and other costs of operating the City Court. Unreserved fund balance was \$149,001 at the end of the current fiscal year, an increase of \$18,375 (12%) from the prior year. The increase is due to normal operations with no unusual expenditures.

The Probation Fund accounts for the collection of monthly probation fees levied on certain defendants. There was no significant change during the year ended June 30, 2008.

The ending governmental fund balance is unreserved and available for spending in the coming year.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

No budget is prepared by the City Court of West Monroe, Louisiana since the operations are provided by the City of West Monroe, Louisiana.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Court operations are funded entirely by the City of West Monroe, Louisiana. There is not an annual budget for the Court.

## **CONTACTING THE COURT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Court's finances and to show the Court's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Court's offices at 2303 North 7<sup>th</sup> Street, West Monroe, Louisiana.



CITY COURT  
OF WEST MONROE, LOUISIANA  
STATEMENT OF NET ASSETS  
JUNE 30, 2008

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash	\$ 419,682
Total Assets	<u>419,682</u>
<u>LIABILITIES</u>	
Payroll Liabilities	<u>10,386</u>
Total Liabilities	<u>10,386</u>
<u>NET ASSETS</u>	
Unrestricted Net Assets	409,296
Total Net Assets	<u>\$ 409,296</u>

The notes to the financial statements are an integral part of this statement.

CITY COURT  
OF WEST MONROE, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Governmental Activities</u>
<u>EXPENDITURES:</u>	
Judiciary:	
Judge's Salary	\$ 30,842
Judge's Retirement	6,292
Judge's Supplemental Compensation	27,640
Salaries - Staff	87,226
Payroll Taxes	3,119
Security	1,170
Other Court Costs	21,497
Other Reductions	8,927
Travel	13,521
Miscellaneous	4,962
Total Expenditures	<u>205,196</u>
<u>PROGRAM REVENUES:</u>	
Fees, Charges, and Commissions for Services:	
Suits and Successions	151,407
Probation Fees	96,315
Total Program Revenues	<u>247,722</u>
<u>GENERAL REVENUES</u>	
Interest	<u>1,412</u>
<u>CHANGES IN NET ASSETS</u>	43,938
<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>365,358</u>
<u>NET ASSETS - END OF YEAR</u>	<u><u>\$ 409,296</u></u>

The notes to the financial statements are an integral part of this statement.

## Fund Financial Statement

CITY COURT  
OF WEST MONROE, LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2008

<u>ASSETS</u>	<u>Civil Court Cost Fund</u>	<u>Judge's Accrued Civil Cost Fund</u>	<u>Probation Fund</u>	<u>Total Governmental Funds</u>
Cash	\$ 221,739	\$ 149,001	\$ 48,942	\$ 419,682
<u>TOTAL ASSETS</u>	<u>\$ 221,739</u>	<u>\$ 149,001</u>	<u>\$ 48,942</u>	<u>\$ 419,682</u>
 <u>LIABILITIES</u>				
Payroll Liabilities	\$ -	\$ -	\$ 10,386	\$ 10,386
Total Liabilities	-	-	10,386	10,386
 <u>FUND BALANCE</u>				
Unrestricted Fund Balances	221,739	149,001	38,556	409,296
Total Fund Balances	221,739	149,001	38,556	409,296
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 221,739</u>	<u>\$ 149,001</u>	<u>\$ 48,942</u>	<u>\$ 419,682</u>

The notes to the financial statements are an integral part of this statement.

CITY COURT  
OF WEST MONROE, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008

	Civil Court Cost Fund	Judge's Accrued Civil Cost Fund	Probation Fund	Total Governmental Funds
Revenues:				
Suits and Successions	\$ 151,407	\$ -	\$ -	\$ 151,407
Probation Fees	-	-	96,315	96,315
Interest	-	1,412	-	1,412
Total Revenues	151,407	1,412	96,315	249,134
Expenditures:				
Judge's Salary	-	30,842	-	30,842
Judge's Retirement	-	6,292	-	6,292
Judge's Supplemental Compensation	27,640	-	-	27,640
Salaries - Staff	-	-	87,226	87,226
Payroll Taxes	-	444	2,675	3,119
Security	-	-	1,170	1,170
Other Court Costs	21,497	-	-	21,497
Other Reductions	-	8,039	888	8,927
Travel	-	8,471	5,050	13,521
Miscellaneous	155	4,628	179	4,962
Total Expenditures	49,292	58,716	97,188	205,196
Excess (Deficiency) of Revenues Over (Under) Expenditures	102,115	(57,304)	(873)	43,938
Other Financing Sources (Uses)				
Operating Transfers In	-	75,679	-	75,679
Operating Transfers Out	(75,679)	-	-	(75,679)
Total Other Financing Sources (Uses)	(75,679)	75,679	-	-
Excess of Revenues and Other Financing Sources Over Expenditures and Other Uses	26,436	18,375	(873)	43,938
Fund Balances at Beginning of Year	195,303	130,626	39,429	365,358
Fund Balances at End of Year	\$ 221,739	\$ 149,001	\$ 38,556	\$ 409,296

The notes to the financial statements are an integral part of this statement.

CITY COURT  
OF WEST MONROE, LOUISIANA  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
JUNE 30, 2008

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	<u>\$ 2,209</u>
<u>TOTAL ASSETS</u>	<u><u>2,209</u></u>
<u>LIABILITIES</u>	
Deposits Due to Others	<u>2,209</u>
<u>TOTAL LIABILITIES</u>	<u><u>\$ 2,209</u></u>

The notes to the financial statements are an integral part of this statement.

CITY COURT  
OF WEST MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

Note 1 - Summary of Significant Accounting Policies

The City Court of West Monroe, Louisiana, (the "City Court"), is a component unit of the City of West Monroe, Louisiana. As provided for by Chapter 7 of Title 13 of the Louisiana Revised Statutes, the City Court has jurisdiction in all civil matters in the City of West Monroe, Louisiana including all of Ward Five of Ouachita Parish. The criminal jurisdiction of the City Court is limited to offenses committed within the city limits of West Monroe, Louisiana, which are not punishable by imprisonment and hard labor. The City Judge is elected for six-year terms.

A. Financial Reporting Entity

As a governing authority of the city, for reporting purposes, the City of West Monroe, Louisiana, is the financial reporting entity for the city. The financial reporting entity consists of (a) the primary government (city), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Government Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the City of West Monroe, Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
  - a. The ability of the city to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the city.
2. Organizations for which the city does not appoint a voting majority but are fiscally dependent on the city.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organizations is not included because of the nature or significance of the relationship.

CITY COURT  
OF WEST MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

Note 1 - Summary of Significant Accounting Policies (continued)

B. Basis of Presentation

In June, 1999, the GASB unanimously approved Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the presentation of its funds financial information include, for the first time a Management Discussion and Analysis (MD&A) section providing an analysis of the City Court’s financial statements prepared using full accrual accounting for all activities. These and other changes are reflected in the accompanying financial statements including the notes to the financial statements.

C. Fund Accounting

The Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds of the Court are classified into two categories: governmental funds and fiduciary (agency) funds. These funds are described as follows:

Governmental Funds

Governmental funds account for all or most of the Court’s general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund’s assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Court. All of the City Court’s funds are considered major funds. The Court reports the following governmental funds:

*Civil Court Cost Fund* – The Civil Court Cost Funds is the general operating fund of the Court. The Court’s share of court costs assessed by the City Court as authorized by Louisiana Statute R.S. 13:1899C, collections of traffic fines, and collections of court-imposed fines remitted to the City Court are all accounted for in this fund. General operating expenditures are paid from this fund.

*Special Revenue Funds* – These funds are established to account for the proceeds of specific revenue sources, other than special assessments, expendable trusts, or major capital projects that are legally restricted to expenditures for specified purposes.



CITY COURT  
OF WEST MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

Note 1 - Summary of Significant Accounting Policies (continued)

C. Fund Accounting (continued)

*Judge's Accrued Civil Cost Fund* – The Judge's Accrued Civil Cost Fund accounts for fees earned by the Judge, which are transferred from the Civil Court Cost Fund and are used to pay a portion of the Judge's salary and other costs of operating the City Court.

*Probation Fund* – The Probation Fund accounts for the collection of monthly probation fees levied on certain defendants. The probation fees are used to reimburse the City of West Monroe for the salary of the probation officer.

Fiduciary Funds

The only funds accounted for in this category by the Court are agency funds. The Restitution Fund accounts for assets held by the Court as an agent for others pending court action. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the accrual basis of accounting.

D. Measurement Focus and Basis of Accounting

Fund Financial Statements

The amounts reflected in the Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources and uses of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Court's operations. For the year ended June 30, 2008, there were no differences between the fund financial statements and the government-wide financial statements.

The amounts reflected in the Governmental Funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Court considers all revenues available if they are collected within 60 days after the fiscal year end.

Revenues

Recordings, cancellations, criminal costs, and other fees, charges and commissions for services are recorded in the year in which they are earned.

Interest income on time deposits is recorded when susceptible to accrual.

CITY COURT  
OF WEST MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

Note 1 - Summary of Significant Accounting Policies (continued)

D. Measurement Focus and Basis of Accounting (continued)

Substantially all other revenues are recorded when received by the Court.

Based on the above criteria, recordings, criminal costs, and other fees, charges, and commissions for service are treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Salaries and related payroll taxes and benefits are recorded when employee services are provided to the Court.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted as other financing sources (uses) and are recognized when the underlying events occur.

Government-Wide Financial Statements

The statement of net assets and statement of activities display information about the Court as a whole. These statements include all non-fiduciary activities of the Court. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenditures, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs, regardless of when cash is received or disbursed.

Program Revenues

Program revenues included in the Statement of Activities are derived directly from Court users as a fee for services; program revenues reduce the cost of the function to be financed from the Court's general revenues.

E. Cash and Cash Equivalents

Cash includes amounts in demand deposits and interest bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less when purchased. Under state law, the Court may deposit funds in demand deposits, interest bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

CITY COURT  
OF WEST MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

Note 1 - Summary of Significant Accounting Policies (continued)

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

G. Net Assets

Net Assets represent the difference between assets and liabilities. Unrestricted net assets represent net assets not appropriable for expenditures or legally segregated for a specific future use. Restricted net assets represent external restrictions imposed by laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The Court's policy is to first apply restricted resources when an expense is incurred for which both restricted and unrestricted net assets are available.

Note 2 - Budgets and Budgetary Accounting

No budget is prepared by the City Court since there are no operations to budget for. The operations are provided by the City of West Monroe, Louisiana and therefore budgets for the court operations in its reporting entity.

Note 3 - Cash

At June 30, 2008, the City Court had cash (book balances) totaling \$421,891 as follows.

Governmental Funds:	
Civil Court Cost Fund	\$ 221,739
Judges Accrued Civil Cost Fund	149,001
Probation Fund	<u>48,942</u>
Total Governmental Funds	419,682
Fiduciary (Agency) Funds:	
Restitution Fund	<u>2,209</u>
Total -- All Funds	<u>\$ 421,891</u>

CITY COURT  
OF WEST MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

Note 3 - Cash (continued)

These deposits are stated at cost, which approximates market value. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Court in a holding or custodial bank that is mutually acceptable to both parties.

*Custodial credit risk* for deposits is the risk that, in the event of the failure of the depository financial institution, the government will not be able to recover its deposits. At year end, bank balances of \$440,488 were protected by \$153,033 of federal depository insurance. The remaining balance of \$287,455 was exposed to custodial risk as uninsured deposits protected with pledged securities held by the custodial banks in the name of the Court.

Even though deposit amounts protected by pledged securities are considered uncollateralized (Category 2) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

Note 4 - Changes in Agency Fund Deposits Due Others

A summary of changes in agency fund deposits due others follows:

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year
Agency Funds:				
City Marshal, West Monroe, Louisiana	\$ -	\$ 28,861	\$ 28,861	\$ -
Refunds to Litigants, Civil Court, West Monroe, Louisiana	-	15,853	15,853	-
Restitution Recipients, Civil Court, West Monroe, Louisiana	<u>4,007</u>	<u>20,146</u>	<u>21,944</u>	<u>2,209</u>
	<u>\$ 4,007</u>	<u>\$ 64,860</u>	<u>\$ 66,658</u>	<u>\$ 2,209</u>

CITY COURT  
OF WEST MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

Note 5 - Expenditures of the Court Paid by the City

The Court's administrative office is located in a building owned by the City of West Monroe. The costs of maintaining and operating the building, as required by statute, are paid by the City government and are not included in the accompanying financial statements.

## Compliance Reporting

# CAMERON, HINES & HARTT

(A Professional Accounting Corporation)

*Certified Public Accountants*

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

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## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Judge Jim Norris,  
City Court of West Monroe, Louisiana

We have audited the component unit financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City Court of West Monroe, Louisiana, a component unit of the City of West Monroe, Louisiana, as of and for the year ended June 30, 2008, which collectively comprise the City Court of West Monroe, Louisiana's component unit financial statements and have issued our report thereon dated December 1, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City Court's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the component unit financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Court's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Court's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Honorable Judge Jim Norris,  
City Court of West Monroe, Louisiana  
Page 2

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City Court's component unit financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, others within the organization, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Cameron, Hines & Hunt (APAC)*

West Monroe, Louisiana  
December 1, 2008



CITY COURT OF  
WEST MONROE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2008

We have audited the component unit financial statements of City Court of West Monroe, Louisiana as of and for the year ended June 30, 2008, and have issued our report thereon dated December 1, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2008, resulted in an unqualified opinion.

Section I- Summary of Auditors' Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness ☐ yes ☒ no

Significant Deficiencies not considered to be  
Material Weaknesses ☐ yes ☒ no

Compliance

Compliance Material to Financial Statements ☐ yes ☒ no

B. Federal Awards (None)

Material Weakness Identified ☐ yes ☒ no

Significant Deficiencies not considered to be  
Material Weaknesses ☐ yes ☒ no

Type of Opinion on Compliance For Major Programs (No Major Programs)

Unqualified ☐ Qualified ☐

Disclaimer ☐ Adverse ☐

Are their findings required to be reported in accordance with Circular A-133,  
Section .510 (a)? N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster)  
CFDA Number(s)

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133? N/A

Section II- Financial Statement Findings – No matters were reported.

Section III- Federal Award Findings and Question Costs- N/A

CITY COURT OF  
WEST MONROE, LOUISIANA

SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2008

Section I- Internal Control and Compliance Material to the Financial Statements

This section is not applicable for this entity.

Section II- Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III- Management Letter

No management letter was issued.